

Approved For Release 2000/06/13 : CIA-RDP78-05551A000100020005-9

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**Office Memorandum • UNITED STATES GOVERNMENT**

TO : Acting Comptroller

DATE: 20 November 1953

FROM : Chief, Finance Division

SUBJECT: Report of Auditor-in-Chief regarding Inspection Trip - Dated  
6 November 1953

1. In accordance with your request, subject report has been reviewed and our comments are furnished in the following paragraphs.

2. In general, we are in accord with the recommendations expressed by the Auditor-in-Chief. As you know, many of the conditions and problems observed by the Auditor-in-Chief have been discussed many times and the objectives recommended by the Auditor-in-Chief are considered by us to be the ultimate basis for solutions. Many of the suggested solutions involve questions of policy to be resolved primarily from the standpoint of operations, however, and in some cases operating officials have been reluctant to delegate authorities and revise procedures to the extent necessary to attain these objectives.

3. Certain of the observations and recommendations appear to require specific comment. Our comments on these points follow:

a. Paragraph III (see also recommendation 3) indicates that vouchers approved in the field are submitted to Divisions for approval. This practice was discontinued some 6 to 8 months ago. Vouchers approved by Station Chiefs, Chiefs of Mission, etc., are processed based on such approval without reference to the Division involved. Exceptions occur, of course, in those cases wherein expenditures are made which, under regulations, must have Headquarters' approval. Such items are referred for necessary approving action. This is the result of inadequate delegation of authority to the field rather than of requirements with respect to approval of accountings.

b. An exception of the above exists with respect to accountings by the Senior Representatives since the Director, Central Intelligence has instructed that such accountings are to be approved by the DD/P and reviewed by the DD/A. This instruction, also, precludes certification and audit of the Senior Representative accounts in the field.

c. We are not clear as to what is meant by reserves for [REDACTED] (Paragraph III-11, recommendation 10). However, we feel that if, by reason of change

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JOB NO. BOX NO. FILE NO. DOC NO. 4 NO CHANGE  
IN CLASS/ DECLASS/ CLASS CHANGED TO: TS S C RET. JUST. 22  
NEXT REV DATE/ REV DATE 29/01/80 REVIEWER 029725 TYPE DOC. 02  
NO. PGS 2 CREATION DATE/ ORG COMP 38 OF 138 ORG CLASS S  
REV CLASS C REV COORD. AUTH: HR 70-3

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in plans, currency or gold becomes surplus to needs, the matter should be reported to Headquarters promptly through the field Finance Officer for appropriate disposition. As for a periodic review of station inventories for "all purposes", this review is currently made monthly. This matter has been the subject of several discussions in the past with the Auditor-in-Chief as well as with the DD/A.

d. Paragraph IV is not clear in that it leaves the impression that the problem is applicable to all projects whereas the problem discussed in almost wholly confined to FI Projects.

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